

UNITED STATES DEPARTMENT OF AGRICULTURE

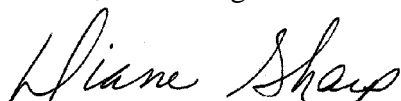
Farm Service Agency
Washington, DC 20250

Notice SU-75

For: State Offices and Service Centers

Approving 2001 Sugar Payment-in-Kind (PIK) Program Accepted CCC-744's

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

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Background

Eligible 2001 Sugar PIK Program offers transmitted to KC-ITSDO from Service Centers were accepted based on the:

- “Ranking Percentage” of the offer being equal to or less than 87.9931
- producer’s certification to all terms and provisions of CCC-744 and CCC-744 Appendix.

The amount of CCC inventory sugar available for the program is limited to 200,000 tons. Accordingly, offers were ranked on the “Ranking Percentage” from lowest to highest until the 200,000 ton limit was reached.

A press release was issued on September 28, 2001, announcing the results of the 2001 Sugar PIK Program, including the “Ranking Percentage” cutoff level. In addition, producers with accepted offers were sent notification letters of acceptance dated October 12, 2001, or October 15, 2001. See Notice SU-74.

Notification letters will be issued to notify producers with offers having “Ranking Percentage” greater than 87.9931.

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Disposal Date

April 1, 2002

Distribution

State Offices; State Offices relay to Service Centers

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1 Overview (Continued)

B

Purpose

This notice provides State Offices and Service Centers with:

- instructions for approving applicable CCC-744's for 2001 Sugar PIK Program
 - additional guidance on:
 - withdrawing and modifying offers
 - program violations
 - compliance spot checks.
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2 Report of 2001 Sugar PIK Program Accepted Offers

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Report of Accepted Offers

On or about October 17, 2001, State Offices received a report of 2001 Sugar PIK Program accepted offers. The offers were accepted based on the "Ranking Percentage" and the producer certification on CCC-744.

Note: Offers with a "Ranking Percentage" higher than 87.9931 were not accepted. **Service Centers shall not send any letter to any producer regarding the rejection of a 2001 Sugar PIK Program offer unless directed by DAFP.**

3 Reviewing Offer Data and Approving CCC-744's

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Reviewing Report of Accepted Offers

The report of 2001 Sugar PIK Program accepted offers provides all of the following for each accepted offer:

- processor code
 - offer number
 - producer's name
 - producer's ID number
 - number of acres offered
 - producer's dollar value of CCC-owned sugar to be awarded
 - ranking percentage.
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3 Reviewing Offer Data and Approving CCC-744's (Continued)

A Reviewing Report of Accepted Offers (Continued)

For each offer on the report, Service Centers shall ensure that the offer data on the report matches the offer data on the associated CCC-744.

Notes: CCC-744, item 12, provides the total dollar value for the offer. The report provides the dollar value for each individual producer on the offer based on the producer's share as provided on CCC-744.

The 2001 Sugar PIK Program payment limitation is \$20,000 value of CCC-owned sugar. Accordingly, all producers with offers that exceed \$20,000 of in-kind payments were reduced to \$20,000. Therefore, the producer's dollar on the report may be less than the producer's share of the total offer amount on CCC-744.

If the offer data on CCC-744 does not match the associated offer data on the report:

- Service Center shall immediately contact State Office
- State Office shall contact the National Office with all of the following data for each applicable offer:
 - offer number
 - processor code
 - name and ID number for all producers on the offer
 - the data on CCC-744 that does not match report data.

State Office or Service Center shall not modify or correct any data on CCC-744 under any circumstance unless authorized by DAFP.

Note: See Notice SU-70, paragraph 13 for contact information.

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4 Policies for Approving CCC-744's

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Approving CCC-744's

COC or CED are authorized to sign CCC-744, item 25, on behalf of DAFP and COC provided **all** of the following are met:

- the offer is listed on the 2001 Sugar PIK Program accepted offer report, as provided in paragraph 3
 - all offer data on CCC-744 matches the offer data provided on the accepted offer report, as provided in paragraph 3
 - CCC-744, items 16, 17, and 18 are completed according to Notice SU-74
 - producer has identified the location of the diverted acreage and provided a map, according to Notices SU-70 and SU-74
 - the offer was timely submitted and all applicable signatures were timely obtained, according to Notice SU-70.
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5 Policies Regarding Modifying or Withdrawing Offers

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Withdrawing or Modifying Offers

After the end of the signup period, offers submitted for the 2001 Sugar PIK Program are irrevocable. **After the end of the signup period, withdrawing or modifying offers in any manner is not authorized.** See Notice SU-70.

Producers listed on the 2001 Sugar PIK Program accepted offer report electing not to participate in the program shall be assessed refunds and liquidated damages according to Notice SU-70.

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6 Program Violations and Spot Check Procedures

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Program Violations

Producers having accepted offers found in violation of the terms of CCC-744, CCC-744 Appendix, or other program policies shall be assessed refunds and liquidated damages according to Notice SU-70, paragraph 10.

Neither COC or STC is authorized to waive or reduce the amount of refund or liquidated damages without prior approval from DAFP.

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Spot Check Procedures

A future notice will provide spot check procedures for the 2001 Sugar PIK Program.

7 Action

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State Office Action

State Offices shall:

- immediately provide a copy of the applicable list of accepted offers to Service Centers with 2001 Sugar PIK Program accepted offers
 - immediately contact the National Office when the CCC-744 data does not match the report data, according to paragraph 3
 - ensure that Service Centers do **not**:
 - notify producers regarding the acceptance or rejection of their 2001 Sugar PIK Program offers
- Note:** See Notice SU-74 and paragraph 2.
- approve CCC-744 when the CCC-744 data does not match the report data.
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7 Action (Continued)

B

**Service Center
Action**

Service Centers shall:

- ensure that the offer data on the report matches the offer data on the associated CCC-744, according to paragraph 3
- sign CCC-744, item 25, on behalf of DAFP and COC provided all requirements are met, according to paragraph 4
- not notify producers regarding the acceptance or rejection of their 2001 Sugar PIK Program offers

Note: COC may notify producers when CCC-744 has been signed.

- not approve any CCC-744 when the CCC-744 data does not match the report data
 - immediately contact the State Office when the CCC-744 data does not match the report data, according to paragraph 3.
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